



DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FORT BELVOIR, VIRGINIA 22060-6222

JUL 08 2004

IN REPLY
REFER TO DESC-CPA

CONTRACTING INSTRUCTION (CI): 04-12
MEMORANDUM FOR CI DISTRIBUTION

**SUBJECT: Interim Rule on Service-Disabled Veteran Owned Small Business
(SDVOSB) Concerns**

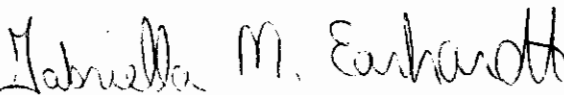
The Federal Acquisition Regulation (FAR) has been amended to comply with recently enacted Public Law 108-183, Veterans Benefits Act of 2003, the Procurement Program for Small Business Concerns Owned and Controlled by Service-Disabled Veterans. This legislation provides for discretionary set-aside and sole source procurement authority for SDVOSBs.

Effective immediately, Contracting Officers may award contracts on the basis of competition restricted to SDVOSB concerns if there is a reasonable expectation that two or more SDVOSBs will submit offers and the award can be made at a fair market price.

A sole source contract may be awarded to a responsible SDVOSB if there is not a reasonable expectation that two or more SDVOSB concerns will submit an offer and the anticipated contract price (including options) will not exceed \$5 million dollars for manufacturing or \$3 million dollars otherwise, and the contract award can be made at a fair and reasonable price.

FAR clause 52.219-27, Notice of Total Service-Disabled Veteran Owned Small Business Set-Aside, has been added to the "T" drive for both sole source and competitive awards made pursuant to this authority.

This CI is informational only and expires upon dissemination. Point of contact is Sherry Wilson, extension 7392.


GABRIELLA M. EARHARDT
Center Senior Procurement Official

